



For Immediate Release  
April 21, 2004

Contact: Jamie Callahan  
1-866-525-5637

### **Sen. Allen's legislation to help prevent job losses signed by governor**

**LANSING** – State Sen. Jason Allen, R-Traverse City, announced today that legislation designed to help prevent the potential loss of thousands of Michigan jobs was signed into law by the governor.

“I’m glad to see that the governor agrees with me and my Republican colleagues,” Allen said. “Jobs are a people issue, not a partisan issue.”

Two of the largest companies the new law will assist are Federal Mogul, which would potentially retain 780 jobs, and creates a new category of retention MEGA to assist Mid-Michigan Packing in Mason.

Introduced by Allen, the new law amends the Michigan Economic Growth Authority Act to allow new or retained jobs at a company receiving credits to be spread between multiple work sites. This gives companies more flexibility to expand and maintain jobs.

The law creates a new category of retention MEGA credit to aid the Michigan Economic Development Corporation during their negotiations with Federal Mogul. Firms must maintain 150 retained jobs at a facility, maintain more than 1,000 full-time jobs in Michigan and make a new capital investment in order to be considered for a MEGA tax credit.

Senate Bill 824 also creates a new retention category which will help companies like Mid-Michigan Packing. Firms will be required to maintain at least 100 retained jobs at a single facility and must agree to make a new capital investment equal to the greater of \$15 million or \$150,000 per job maintained at the facility by Dec. 31, 2006.

The law also requires that a repayment provision be included in each MEGA agreement to provide accountability and help ensure that companies follow through with their job creation or retention commitments.

“We are focused on getting Michigan’s economy working again,” Allen said. “In order to do that, we need to get Michigan’s people working and we are fighting to make sure that our residents have job opportunities.”

(More)

The MEGA program is designed to promote business investment and new job creation, as well as job retention in large, established Michigan companies. The program is focused on helping businesses overcome cost differentials that could cause them to relocate out of state.

First established by the Legislature in 1995 and then renewed in 2003, MEGA tax credits have helped numerous companies locate or remain in Michigan. Eligible businesses must be in the manufacturing, research and development, high tech, mining, wholesale/trade, or office operations sectors.

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**Editor's note:** A photo of Sen. Allen at the bill signing ceremony will be available later today for download on the Senate Majority Photowire at:  
<http://www.senate.michigan.gov/gop/photowire/Allen/Allen.htm>